

"Equal justice under law is not merely a caption on the façade of the Supreme Court building, it is perhaps the most inspiring ideal of our society. It is one of the ends for which our entire legal system exists....it is fundamental that justice should be the same, in substance and availability, without regard to economic status."

—Supreme Court Justice Lewis F. Powell Jr.

The future is brighter for the millions of Americans who have been served by the 136 nonprofit civil legal aid programs that are funded by the Legal Services Corporation.

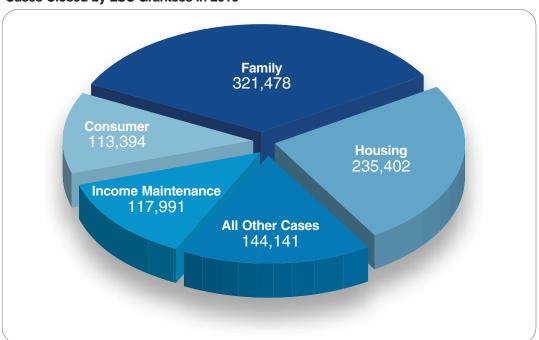
These LSC program closed more cases in 2010 than the year before, and their casework reflected our nation's slow recovery from the economic downturn. Matters involving foreclosures, landlord-tenant disputes, unemployment, bankruptcy and consumer finance, and, sadly,

domestic violence all increased in 2010 compared to the previous year.

At many LSC-funded programs, cases related to the economy have increased for three consecutive years. During this period, Congress provided LSC with budget increases, with the Corporation receiving \$420 million in funding for Fiscal Year 2010.

Still, the number of Americans living in poverty and eligible for LSC-funded services continues to grow, and many LSC programs are unable to meet the legal needs of those who sought civil legal assistance. Despite a 7.7 percent rise in LSC funding in 2010, significant sources of non-federal funding were essentially flat or declined, constraining the expansion of legal assistance.

Cases Closed by LSC Grantees in 2010



LSC programs, despite such challenges, are resilient and innovative. Since 2008, the number of cases closed through the involvement of private attorneys has increased by 16 percent. In 2010, 12 percent of LSC's total cases were handled by pro bono volunteers and other private attorneys—a remarkable achievement. LSC programs also continue to reach more citizens through websites, and increasing numbers of legal forms and other information are being downloaded every year.

By narrowing the justice gap, LSC programs are reaffirming our national commitment to the rule of law and bringing self-sufficiency and stability to low-income individuals and families across our country.

Supporting Americans During the Recovery

ver the last three years, millions of Americans have been at risk of falling deeper into poverty or slipping into poverty for the first time. LSC-funded programs across America have helped people get back on their feet and even get a fresh start in life.

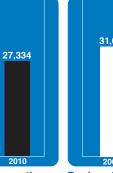
During 2010, requests for assistance with unemployment compensation claims, food stamps, and bankruptcy and debt relief increased at LSC programs. In the area of unemployment compensation, the number of matters brought by low-income Americans to LSC programs increased by 80 percent from 2008 to 2010.

Through their support of low-income Americans during the economic recovery, LSC programs help families obtain benefits to pay their rent and mortgages and to provide for their dependents—young and old. Many LSC programs participate in neighborhood clinics or events to provide brief advice to jobless persons, and they have developed self-help and educational materials to aid clients in filing unemployment compensation appeals that are less likely to be blocked by administrative or procedural hurdles.

In another reflection of the impact of the recession and subsequent slow economic recovery, bankruptcy and debt relief matters increased significantly, growing by 24 percent from 2008 to 2010.

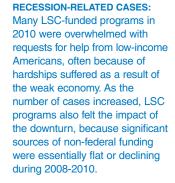
Programs addressed the rising demand in varied ways. For example, Colorado Legal Services created a special unit for consumer issues, and the Legal Aid Foundation of Los Angeles added a monthly clinic to its regular intake and hotline to address an overflow of requests involving consumer issues.

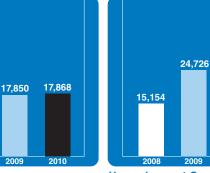




Bankruptcy and Debt Relief

39.346





Food Stamps

13,018





Serving Veterans and Military Families

ne of LSC's major initiatives in 2010 focused on improving access to justice for low-income military veterans and for military families. Many veterans who have served in combat zones are confronting legal problems—involving employment, homelessness, and child custody—that are handled on a regular basis by LSC-funded programs.

Local legal aid offices are gateways for veterans in need of civil legal assistance. These offices have established networks with bar association pro bono programs, law school clinics and social services agencies, and are experienced in using Help Lines to provide information on complex subjects.

In 2010, LSC launched **StatesideLegal.org**, developed through a Technology Initiative Grant by Pine Tree Legal Assistance in Maine. It is a free resource for low-income individuals with a military connection, including veterans and current members of the military and their families. Information on the website covers such topics as disability benefits, employment and legal protections for service members confronted with foreclosure proceedings.

LSC also began an awareness campaign, reaching out to the Veterans Affairs Department's Readjustment Counseling Service, known as the Vet Center Program, to share information about legal services and to create appropriate referral systems to minimize veterans' frustrations in obtaining advice and representation on civil legal problems.

Over the years, LSC programs have developed notable initiatives to serve veterans. They include:

- The Veterans Consortium Pro Bono Program, a partnership of major Veterans Services Organizations, which provides pro bono representation for pro se appellants before the U.S. Court of Appeals for Veterans Claims.
- The Bill Smith Homeless Veterans Project at the Legal Aid Foundation of Los Angeles, to assist veterans who are homeless or at imminent risk of becoming homeless on a wide range of legal issues.



- The Veterans' Rights Project at the Legal Aid Foundation of Metropolitan Chicago, to help veterans secure VA benefits and protect their legal rights on consumer, housing and related issues.
- The Kentucky Corps of Advocates for Veterans at the Legal Aid Society of Louisville, Ky., a collaboration with the state bar, the courts, the Kentucky Department of Veterans, and Veterans Services Organizations to increase legal assistance available to veterans.

www.StatesideLegal.org

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Helping Families Keep Their Homes

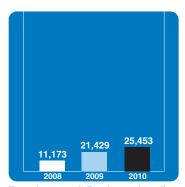
lmost all LSC-funded programs have experienced a rise in requests for help from low-income Americans facing foreclosure, and more than 40 LSC-funded programs have established foreclosure units to help families stay in their homes or resolve mortgage-related issues.

Foreclosure laws vary by state, and local LSC programs are well-suited to help low-income homeowners and renters. With legal assistance, low-income Americans can often renegotiate the terms of their loans, assert truth-in-lending protections, enforce eviction notification laws, file for bankruptcy to stop an imminent sale, and receive counseling through federally certified housing programs.

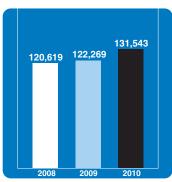
Several LSC programs have become well-known in their work on foreclosure matters, which are often laborintensive and complex. They include Atlanta Legal Aid, Texas RioGrande Legal Aid, Legal Services of Greater Miami, Legal Aid Foundation of Metropolitan Chicago, Indiana Legal Services, Iowa Legal Services, Legal Services NYC and the LSC programs in western and eastern Missouri.

Pine Tree Legal Assistance in Maine was at the center of a major court ruling. A volunteer lawyer affiliated with the LSC program discovered that proper procedures were not followed in a foreclosure action, ultimately triggering foreclosure suspensions in 23 states by large lenders.

Several LSC programs provide housing counseling to homeowners who seek it; others work with housing counselors to advise them when to refer homeowners to lawyers to review their problems. West Tennessee Legal Services sponsors several counseling projects through NeighborWorks



Foreclosures & Predatory Lending Private Landlord/Tenant





America, the congressionally-chartered nonprofit organization dedicated to improving distressed communities.

LSC programs also have participated on state Supreme Court commissions that have led to the establishment of mediation programs for foreclosures. Mediation is a particularly helpful tool for the representation of those who started on loan modification programs, such as the government's Making Home Affordable plan, because mediators often require the full participation of lenders.

In addition to stepping up efforts to help low-income homeowners and renters cope with foreclosure, LSC programs have continued handling more traditional housing problems, such as landlord-tenant disputes. Landlord-tenant cases have also increased since the 2008 recession. Overall, housing cases represent 25 percent of all the cases closed by LSC programs.

SAVING HOMES: A roof over one's head is a basic necessity. Since 2008, LSC-funded programs have seen a doubling in requests from lowincome Americans for help with foreclosures. Housing cases represent the second-largest category of work by LSC programs. Requests include complaints about seriously defective living conditions, substandard housing, unfair landlord practices and other matters that may leave a family at risk of homelessness.

Protecting Victims of Domestic Violence

amily law cases represent about 35 percent of the cases closed by LSC-funded programs each year. The legal services provided to victims of domestic violence are among the most important family law matters.

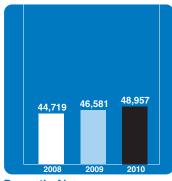
One of the leading causes of homelessness for women and children is domestic violence. Studies show that domestic violence is more severe in disadvantaged neighborhoods and occurs more frequently in households facing economic stress. Between 2008 and 2010, domestic abuse cases grew by 9 percent at LSC-funded programs.



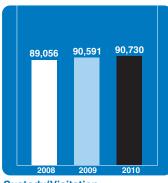
Domestic violence victims are among the most vulnerable Americans served by LSC programs. In a Missouri case, a husband tried to kill his wife and their daughter by setting the house on fire. When his wife ran from him, he found her and smashed her head with a gun, causing serious brain injury. Legal Aid of Western Missouri enrolled her in the state's protection program and helped her get a divorce and sole custody of her daughter.

As this case shows, LSC programs are in the vanguard of the government's efforts to protect those facing family violence and abuse. Often, survivors of domestic violence experience problems that extend beyond personal injuries. Physical safety, financial stability and economic independence preoccupy victims of domestic violence as they struggle to ensure their children have a safe and nurturing environment.

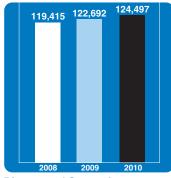
Every year, the LSC Board of Directors recognizes pro bono lawyers and other volunteers for their assistance in obtaining protection orders and for helping domestic violence victims put their lives back together.







Custody/Visitation



Divorce and Separation

working for families: Legal services programs across the nation assist families—whether the case involves adoption, divorce, custody and visitation rights or parental rights. Safety and protection of children are priorities of legal aid programs, and the vast majority of divorce cases involve child custody issues and domestic violence. These charts show the numbers of cases handled in three areas of family law.

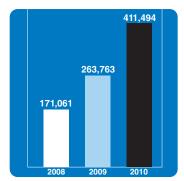
Increasing Efficiency and Access to Legal Aid

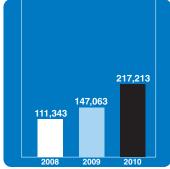
egal aid programs across the country are always looking for new ways to improve efficiency and increase access to the client population in their service area. Because of limited staff and resources, the systems that LSC programs use to conduct client intake—most often telephone hotlines and inperson interviews—are often overwhelmed by the demand for legal services, resulting in frustrated clients who have pressing legal problems. Now, because of an LSC Technology Initiative Grant (TIG), an innovative model is providing LSC programs with an opportunity to augment traditional intake methods with online intake.

In the fall of 2007, LSC awarded TIG funding to Legal Aid of Western Ohio (LAWO) to develop a new, user-friendly online intake system designed for clients who need alternatives to the traditional 9-to-5 telephone and in-person application process. The online project began in 2008 and was completed in 2010.

Using a technology program called A2J Author[®] (developed specifically to address the needs of self-represented litigants and supported in part by earlier TIG awards), LAWO created a user-friendly online interview that guides potential legal aid clients through a series of easy-to-follow questions that helps LAWO better understand their problems. Once the potential client completes the interview, the person receives suggestions on how to respond to emergency situations and printable information appropriate to their problem.

At the local LSC program, the information completed by the potential client goes into a holding queue outside the program's case management system for checks of any potential conflict





LHI Interviews Conducted*

LHI Documents Generated*

that would prohibit the program from representing the client. If it is determined no conflict exists, with the click of a button the intake worker imports all the information from the interview into the program's case management system for review. The intake worker then contacts the potential client and the intake proceeds as if the client interview had been conducted by phone or in person.

The A2J online application and case management system integration has resulted in a significant savings of time and has made the intake process more efficient, saving approximately 10 to 15 minutes of staff time per application. It is estimated that the increased efficiency has resulted in time savings equivalent to 1 to 1.5 full-time employees.

Survey data indicate that more than 94 percent of potential clients find the A2J application easy to use and that the same high number would recommend it to a friend. The online webbased application is available 24/7. And online users receive immediate information with practical suggestions as to what they can do regarding their situation while they wait for a call about their application.

LAWO has found that it receives 33 percent of all intake applications online, and of those, almost two-thirds come from people in rural areas, demonstrating that providing an online application process can help increase access to legal services for clients who have historically faced geographic barriers.

In Ohio, the Legal Aid Society of Columbus launched its version of an A2J online intake application in March 2010, and three other legal aid programs are in various stages of development, including Community Legal Aid Services, Inc., the Legal Aid Society of Cleveland, and Southeast Ohio Legal Services.

As of late 2010, at least 10 other legal aid programs across the country had started similar online intake projects, and more than 35 programs were in the process of researching future projects. LAWO is helping facilitate replication of this TIG project by providing technical support to other programs, conducting training for the legal aid community at national conferences and online webinars, and posting resource materials online at the A2J (www.a2jauthor.org) and National Technology Assistance Project (www.lsntap.org) websites.

Strengthening Oversight of Fiscal Matters

o provide for the effective delivery of legal services to clients, the LSC Board and the LSC staff are committed to ensuring that the funds appropriated by the Congress are well spent.

In 2010, the Board established the Special Task Force on Fiscal Oversight to review LSC's current practices and to make recommendations regarding LSC's fiscal oversight of the independent nonprofit legal aid programs that receive LSC grants.

The task force, led by the chairmen of the Board's Audit and Finance committees, includes leaders with outstanding experience in grants administration, audits and internal controls, executive leadership, and the best practices of foundations and charitable organizations. The Board expects to receive the task force's report in mid-summer 2011.

As a testament to the Board's resolve to ensure the efficiency and effectiveness of the governance and management of the Corporation, LSC has implemented all 17 of the recommendations in the 2007 reports of the Government Accountability Office (GAO). GAO issued determinations that all recommendations requiring action by the Board and management were closed.

In particular, LSC developed new procedures to evaluate grant awards and internal financial controls and hired an independent risk assessment consultant to examine LSC's internal controls within the grant-making process.

"These new procedures help strengthen LSC's internal control environment and reduces the risk that internal control failures, including unauthorized or improper use of federal funds or violations of laws or regulations, will occur and not be detected," the GAO said.

LSC is currently implementing recommendations from a June 2010 GAO report regarding controls over grant awards and grantee program effectiveness. LSC believes that 13 of the 17 recommendations in that report have been implemented and is awaiting GAO's confirmation.

While these efforts to enhance accountability were underway, LSC received an opinion from outside auditors that the Corporation's financial statements presented fairly, in all material respects, the financial position of LSC.

Special Task Force on Fiscal Oversight

The task force co-chairmen are:

Robert J. Grey Jr., chairman of the Finance Committee.

Victor B. Maddox, chairman of the Audit Committee.

The task force members are:

Christian L. Campbell, Senior Vice President, General Counsel, Secretary, and Chief Franchise Policy Officer, YUM! Brands Inc.

Jane Elizabeth Curran, Executive Director, the Florida Bar Foundation.

M. Christine DeVita, President of The Wallace Foundation.

Terry M. Fraser, Principal, LarsonAllen LLP.

Robert E. Henley Jr., non-director member of the LSC Board's Finance Committee.

David Hoffman, a former Inspector General for the City of Chicago.

Allan Jenkins, Executive Director, The Opportunity Agenda.

The Rev. Pius Pietrzyk, O.P., member of the LSC Board.

Ronald M. Shaich, co-founder of Panera Bread Co.

Paul L. Snyder, retired Midwest area managing partner at KPMG.

Allan J. Tanenbaum, General Counsel and Managing Partner, Equicorp Partners.

Nikki L. Tinsley, a former Inspector General for the Environmental Protection Agency.

Douglas N. Varley, a member of the Washington office of Caplin & Drysdale.

Michele S. Warman, General Counsel and Secretary, The Andrew W. Mellon Foundation.